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Wheat Update

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Grain and Feed

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Report Highlights:

The government of Morocco has imposed 135 percent tariffs on common wheat imports for the June 1-December 31 period, and 170 percent tariffs on durum wheat imports for the June-July period to protect local producers from foreign competition. Moroccan soft wheat production in MY 2009/10 is estimated at 4.5 million tones, up 77 percent from the previous year, while durum wheat production is estimated at 2.0 million tones, 61 percent higher than the previous crop. Industry officials project that Morocco would import about 1.5 million tones of soft wheat and around 600,000 tones of durum wheat by the end of the year.

General Information:**Morocco Imposes Tariffs on Wheat Imports**

On Friday June 5, the Moroccan government announced that it has imposed 135 percent tariffs on soft (common) wheat imports for the June 1-December 31 period. The government has also imposed 170 percent tariffs on durum wheat imports for the June-July period, according the National Office of Cereals (ONICL) to protect local farmers from foreign competition. It worth mentioning that Morocco had suspended import tariffs in 2008 until May 31 this year to reduce wheat prices in the domestic market after prices of imported wheat soared in 2007 and early 2008.

Morocco's total cereal production in MY 2009/10 is expected to reach a record level of 10.2 million tones this year, compared with an average of 6 million in the past decade. Morocco's grain harvest swings sharply due to cyclical droughts, with cereals crops have varied from around 2 million tones to 9.6 million tones in the past 50 years, according to official figures.

The sharp increase in production this year was mostly due to heavy rainfalls and excellent weather conditions during the growing season. Analysts estimate that Moroccan soft wheat production will be about 4.5 million tones, up 77 percent from the previous year, while durum wheat production is estimated at 2.0 million tones, 61 percent higher than the previous crop. Barley output is expected to jump to 3.7 million tones, or 174 percent higher than the previous season.

Trade and wheat milling industry officials expect that Morocco will import about 1.5 million tones of common wheat and around 600,000 tones of durum wheat by the end of December this year.